

U.S. Attorney's Report to the District

On October 7, the four United States Attorneys in California held a news conference in Sacramento to announce a series of measures to enforce federal law with respect to commercial marijuana operations in California. California has long been the top source of marijuana for the nation. DEA figures for 2009 indicate that 72% of the marijuana plants eradicated nationwide were located in California. In the last two years, however, there has been an explosion of marijuana production in this state. Large outdoor marijuana grows, once confined to remote rural areas, are now appearing on agricultural land on the valley floor, and marijuana stores, many located near schools and parks, are sprouting across the state.

The primary factor behind this growth is money. The extraordinary profits generated by many marijuana stores has generated a frenzy of expansion and marketing reminiscent of the recent real estate boom. These businesses are more interested in maximizing their profit by promoting marijuana use than in treating the seriously ill who are in need of medical care. At the news conference, U.S. Attorney Laura Duffy displayed photographs taken in a marijuana store that marketed marijuana to young people, including marijuana-infused cotton candy sold in plastic bags bearing clown logos. These businesses often claim to be operating under the cover of state law, but in fact are abusing it. The Compassionate Use Act, which California voters enacted in 1996, was intended to provide a mechanism for seriously ill persons to treat their symptoms with marijuana; large scale trafficking in marijuana for profit has never been legal in California.

In our federal enforcement efforts, we are targeting operations involved in the commercial cultivation and sale of marijuana, not sick people. Prosecutors in my office, for example, recently indicted a lawyer from Los Angeles who was charged with conspiring to make millions of dollars by financing industrial marijuana grows in numerous locations. We also recently charged two men in Fresno who operated highly profitable marijuana stores. They had installed an ATM in one store, and one of the defendants told investigators they were making \$30,000 to \$50,000 per day selling marijuana. In another recent case, several men who claimed to be growing marijuana for medical purposes under California law are alleged to have shipped it to distributors in other states. Bank account records indicated that they had received deposits totaling almost \$3 million at bank branches in Connecticut.

Our tools for enforcing federal law are not limited to criminal prosecution. In recent weeks we have filed several civil forfeiture actions against agricultural properties being used to cultivate marijuana, and against marijuana stores and their bank accounts. We have also sent warning letters to a significant number of property owners whose property is being used for commercial marijuana production or sales. Our objective is to deter illegal conduct, not to forfeit properties. If forfeiting properties is required in order to enforce federal narcotics laws, however, we will do so.

If you would like to communicate with our office, contact the main number in Sacramento, or submit a suggestion by clicking the button below. Thank you.

United States Attorney
Benjamin B. Wagner